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U.S. DEPARTMENT OF
HEALTH AND HUMAN SERVICES

What are the rules on funding religious activity with Federal money?

The United States Supreme Court has said that faith-based organizations may not use direct government support to support "inherently religious" activities. Basically, it means you cannot use any part of a direct Federal grant to fund religious worship, instruction, or proselytization. Instead, organizations may use government money only to support the non-religious social services that they provide. Therefore, faith-based organizations that receive direct governmental funds should take steps to separate, in time or location, their inherently religious activities from the government-funded services that they offer.

Such organizations should also carefully account for their use of all government money. This does not mean your organization can't have religious activities. It simply means you can't use taxpayer dollars to fund them. Some faith-based organizations set up separate charitable organizations (so-called "501(c)(3) corporations") to keep programs that receive government money separate from those that engage in inherently religious activities.

This rule of thumb is different if your organization receives Federal money that comes in the form of "vouchers" or other so-called "indirect aid." In simple terms, an indirect aid program is one that gives funds or certificates to individuals in need, which can be used to obtain services from a number of qualified organizations. A good example of indirect aid is a child-care certificate that a parent can use for daycare at any participating child-care center. School vouchers are another example of indirect aid. The vast majority of programs affected by the Faith-Based and Community Initiative involve direct aid to organizations (that is, money that goes directly to the organizations themselves), not vouchers or indirect aid.

Learn more:

- Center for Faith Based and Community Initiatives <http://www.hhs.gov/fbci/>

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